

# Finance Report for DCEO Steering Group

## Financial Year 2017/18, May 2017

---

### Executive Summary

The Finance Management Pack will now include a cash flow for the year with actuals to date and forecast to the end of the year.

A budget review is undertaken each quarter to illustrate and annotate what changes have been made in short term plans throughout the last three months starting from the BV1 agreed with DCMS in November 2016. This will be included in the management pack for June. Fee income will be reviewed for the BV2 version that will be submitted to DCMS.

Overall budget expenditure is as planned, however there remains a challenge to profile the budget in line with expenditure within distinct budget lines. Monthly budget meetings allow us more insight into any variances.

### Spend under/ (over) variance tolerance of 10%:

Budget	% Variance	Comments
Training and recruitment	(18%)	This is mainly due to the apprentice levy, total 15k that was not included in the overall budget and a particularly large invoice for security training that was not planned until later in the year. Noted for budget review
IT costs	(12%)	We have seen a large jump in registrations paying by card from 39% at the beginning of the year to current 46%. Card processing charges have therefore increased by 22k. The other factor of increase cost is the new notification printing contract which is more expensive than forecasted. Noted for budget review.
Project spend	(27%)	This tends to vary with progression of projects – only billed at particular milestones. No over or underspend projected.
Communications	47%	Budget was allocated for the annual report launch and survey, both of which have not happened as at end of May.
Financial costs	21%	No internal audit work has started as yet; budget will be profiled for later in the year when audit plan is signed off. Noted for budget review
Travel	(34%)	Leadership team, International strategy & Intelligence, Business development, Corporate affairs, General Counsel, and Technology policy have all exceeded their travel budgets to May by >£1,000. This is symptomatic of additional required in the run up to GDPR as teams are spending more time out of the offices at seminars conferences, meetings and training sessions. Budget to be reviewed at Q1 end for appropriateness.

## Financial Overview as at 31 May

### Cash Flow

Based on our known contingent commitments over the next few years and in the interest of using our cash flows prudently, we would not recommend dropping below a base level of £1million in the bank at any time. The cash flow indicates that we are unlikely to drop beneath £2.2m during the year, which means we have some cash resilience. Work is underway with DCMS to ascertain what options are available to us regarding surplus non-budgeted reserve funds. This work is not likely to be progressed until DCMS accounts team has laid their internal accounts, later in the summer, however the discussions have started.

### DP Income (see appendix 1)

Month	Budget	Actual	Variance	%
April	1,528	1,458	(70)	(5%)
May	1,547	1,732	185	12%
<b>Subtotal</b>	<b>3,075</b>	<b>3,190</b>	<b>115</b>	<b>(4%)</b>
June	1,640			
July	1,715			
August	1,555			
September	1,880			
October	1,847			
November	1,748			
December	1,242			
January	2,062			
February	1,841			
March	1,953			
<b>£ Year</b>	<b>*20,559</b>			

\*Updated budget reflects an uplift of 5% from the previous year

# Month End Financial Summary

## MANAGEMENT REPORT

For the Two Months Ending 31 May 2017

	Year To Date				Full Year	Prior Year
	Budget £	Actual £	Variance £	Var % %	Forecast £	2016/17 £
GRANT IN AID	625,000	625,000	-	-	3,791,000	3,790,000
DP FEE INCOME	3,075,084	3,189,617	(114,533)	(4%)	20,559,000	19,729,439
DRIPA INCOME	-	-	-	-	330,000	330,000
BANK INTEREST	-	(75)	75	-	-	75
<b>TOTAL INCOME</b>	<b>3,700,084</b>	<b>3,814,542</b>	<b>(114,458)</b>	<b>(3%)</b>	<b>24,680,000</b>	<b>23,849,514</b>
<b>TOTAL OFFICE COSTS</b>	<b>221,233</b>	<b>204,015</b>	<b>17,218</b>	<b>8%</b>	<b>1,256,200</b>	<b>1,523,289</b>
<b>TOTAL STAFF COSTS</b>	<b>2,875,080</b>	<b>2,844,798</b>	<b>30,281</b>	<b>1%</b>	<b>18,663,107</b>	<b>16,029,657</b>
<b>TOTAL TRAINING AND RECRUITMENT</b>	<b>75,136</b>	<b>88,916</b>	<b>(13,780)</b>	<b>(18%)</b>	<b>455,000</b>	<b>579,010</b>
<b>TOTAL IT COSTS</b>	<b>411,143</b>	<b>459,089</b>	<b>(47,946)</b>	<b>(12%)</b>	<b>2,548,325</b>	<b>2,505,735</b>
<b>TOTAL PROJECT SPEND</b>	<b>192,445</b>	<b>244,708</b>	<b>(52,263)</b>	<b>(27%)</b>	<b>534,675</b>	<b>688,500</b>
<b>TOTAL COMMUNICATIONS</b>	<b>56,150</b>	<b>29,503</b>	<b>26,647</b>	<b>47%</b>	<b>388,400</b>	<b>507,460</b>
<b>TOTAL FINANCIAL COSTS</b>	<b>7,159</b>	<b>5,634</b>	<b>1,525</b>	<b>21%</b>	<b>107,500</b>	<b>153,134</b>
<b>TOTAL TRAVEL</b>	<b>69,162</b>	<b>92,823</b>	<b>(23,661)</b>	<b>(34%)</b>	<b>515,700</b>	<b>526,336</b>
<b>TOTAL LEGAL, PROFESSIONAL &amp; OTHER</b>	<b>85,753</b>	<b>77,536</b>	<b>8,217</b>	<b>10%</b>	<b>953,490</b>	<b>595,466</b>
<b>TOTAL COSTS</b>	<b>3,993,261</b>	<b>4,047,023</b>	<b>(53,762)</b>	<b>(1%)</b>	<b>25,422,397</b>	<b>23,108,588</b>
<b>CAPITAL SPEND</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>650,000</b>	<b>616,614</b>
<b>OPERATING SURPLUS</b>	<b>(293,177)</b>	<b>(232,481)</b>	<b>(60,696)</b>	<b>21%</b>	<b>(1,392,397)</b>	<b>124,312</b>
<b>GIA PROGRAMME 1819 ADVANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,400,000</b>	<b>-</b>
<b>SURPLUS</b>	<b>(293,177)</b>	<b>(232,481)</b>	<b>(60,696)</b>	<b>21%</b>	<b>7,603</b>	<b>124,312</b>

Based on the above summary, we have received 4% over our updated DP budget. The income budget will be reviewed at the end of Q1.

The first GIA Programme advance will be received in June; the full year forecast indicates the expected position at the year end.

## Civil Monetary Penalties (CMPs)

Below is the summary of those debts we still consider recoverable from the previous year plus new penalties issued to May 2017.

Gross debts B/fwd from 2016-17	594,600
Issued penalties gross	1,300,100
Issued prompt payment discount	(144,200)
Irrecoverable debts written off	-
<b>Net</b>	<b>1,750,500</b>
Receipts*	(605,433)
Balance	<b><u>1,145,067</u></b>

\*Of this sum, £605,433 is due to be paid to the consolidated fund in June 2017.

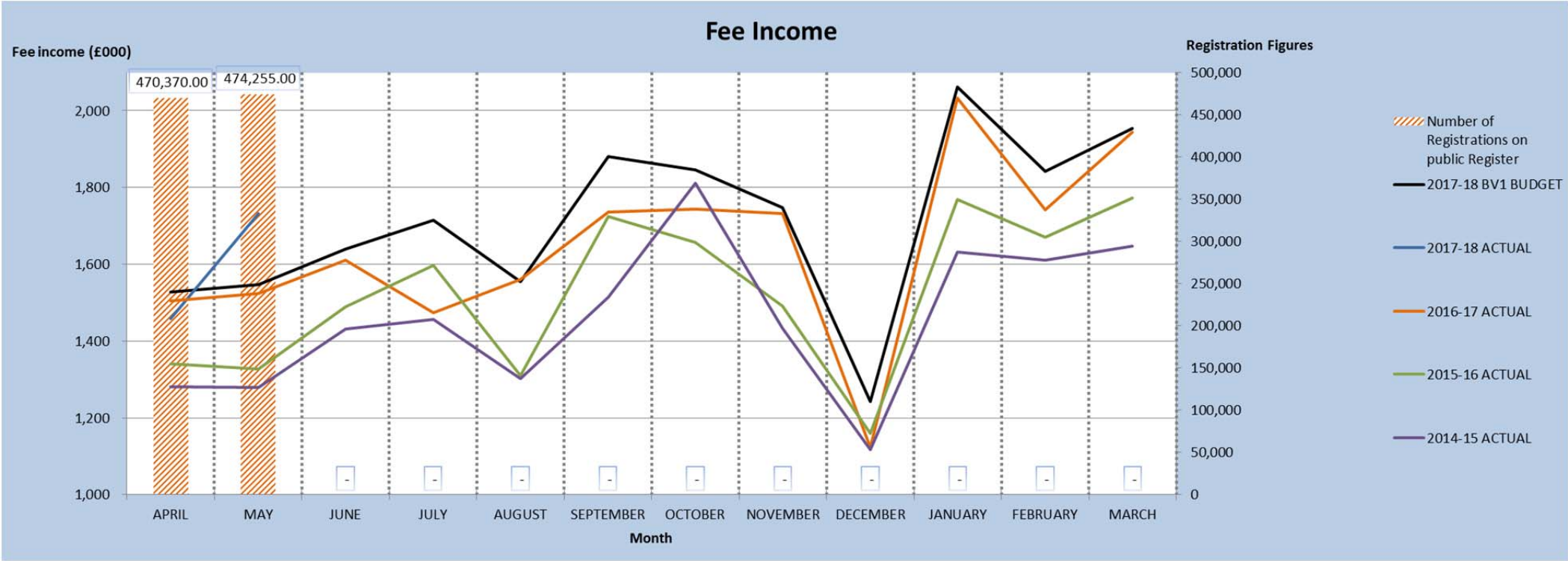
### **Spending controls**

The ICO is complying with the Cabinet Office Spending Controls Guidance v 4.0

<https://www.gov.uk/government/publications/cabinet-office-controls/cabinet-office-controls-guidance-version-40>

**Heather Dove**  
**May 2017**

Appendix 1  
DP Fee Income May 2017



INFORMATION COMMISSIONERS OFFICE

For the Twelve Months Ending 31 March 2018

	Actual Apr-16 £ (000)	Actual May-16 £ (000)	Forecast Jun-16 £ (000)	Forecast Jul-16 £ (000)	Forecast Aug-16 £ (000)	Forecast Sep-16 £ (000)	Forecast Oct-16 £ (000)	Forecast Nov-16 £ (000)	Forecast Dec-16 £ (000)	Forecast Jan-17 £ (000)	Forecast Feb-17 £ (000)	Forecast Mar-17 £ (000)
<b>Cash flows from operating activities</b>												
Net Expenditure												
DP FEE INCOME	-1,458	-1,731	-1,629	-1,704	-1,544	-1,869	-1,835	-1,736	-1,231	-2,051	-1,830	-1,942
DRIPA INCOME	0	0	-83	0	0	-83	0	0	-83	0	0	-83
OFFICE COSTS	113	91	108	109	108	108	109	108	108	109	108	108
STAFF COSTS	1,432	1,413	1,491	1,526	1,525	1,544	1,602	1,614	1,616	1,634	1,634	1,633
TRAINING AND RECRUITMENT	40	49	35	37	37	36	36	37	36	38	39	35
IT COSTS	218	241	206	206	200	206	214	200	204	235	205	213
PROJECT SPEND	143	101	91	91	91	91	91	91	91	91	91	-559
COMMUNICATIONS	15	14	29	31	101	-79	31	31	31	31	60	96
FINANCIAL COSTS	3	3	9	5	8	7	4	7	8	43	5	7
TRAVEL	40	53	47	46	28	39	43	56	19	30	20	95
LEGAL, PROFESSIONAL & OTHER	27	50	92	61	31	56	66	135	79	113	102	142
Net expenditure total	572	285	395	407	585	55	361	542	878	272	434	-253
Decrease in trade and other receivables	22	678	129	-172	35	212	-271	9	4	-510	262	-143
Increase in trade payables	513	-913	-53	212	-7	-131	41	-33	-4	325	-171	9
Use of provisions	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net cash outflow from operating activities</b>	<b>1,107</b>	<b>50</b>	<b>471</b>	<b>447</b>	<b>614</b>	<b>136</b>	<b>131</b>	<b>517</b>	<b>878</b>	<b>87</b>	<b>524</b>	<b>-387</b>
<b>Cash flows from investing activities</b>												
Capital Spend	0	0	0	0	0	0	0	0	0	0	0	650
Profit/Loss on Disposal of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net cash outflow from investing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>650</b>
<b>Cash flows from financing activities</b>												
Grant in Aid	-313	-313	-313	-313	-313	-313	-313	-313	-354	-313	-313	-313
Grant in Aid Programme in Advance			-140	-140	-140	-140	-140	-140	-140	-140	-140	-140
<b>Net cash flows from financing activities</b>	<b>-313</b>	<b>-313</b>	<b>-453</b>	<b>-453</b>	<b>-453</b>	<b>-453</b>	<b>-453</b>	<b>-453</b>	<b>-494</b>	<b>-453</b>	<b>-453</b>	<b>-453</b>
<b>Net increase/(decrease) in cash and cash equivalents in the year</b>												
Net increase/(decrease) in cash	794	-262	18	-5	161	-316	-321	64	385	-365	72	-190
<b>Cash &amp; equivalents- start of period</b>	<b>3,630</b>	<b>2,836</b>	<b>3,098</b>	<b>3,080</b>	<b>3,085</b>	<b>2,924</b>	<b>3,240</b>	<b>3,561</b>	<b>3,497</b>	<b>3,112</b>	<b>3,477</b>	<b>3,405</b>
<b>Cash &amp; equivalents- end of period</b>	<b>2,836</b>	<b>3,098</b>	<b>3,080</b>	<b>3,085</b>	<b>2,924</b>	<b>3,240</b>	<b>3,561</b>	<b>3,497</b>	<b>3,112</b>	<b>3,477</b>	<b>3,405</b>	<b>3,595</b>

# MANAGEMENT REPORT

For the Two Months Ending 31 May 2017

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2016/17
	£	£	£	%	£	£
GRANT IN AID	625,000	625,000	0	-	3,791,000	3,790,000
DP FEE INCOME	3,075,084	3,189,617	-114,533	(3.7%)	20,559,000	19,729,439
DRIPA INCOME	0	0	0	-	330,000	330,000
BANK INTEREST	0	-75	75	-	0	75
<b>TOTAL INCOME</b>	<b>3,700,084</b>	<b>3,814,542</b>	<b>-114,458</b>	<b>(3.1%)</b>	<b>24,680,000</b>	<b>23,849,514</b>
RENT	71,166	70,606	560	0.8%	427,000	646,378
RATES & BUILDING INSURANCE	39,332	38,529	803	2.0%	236,000	235,770
SERVICE CHARGES	9,166	11,421	-2,255	(24.6%)	55,000	33,624
CAR PARKING	1,200	1,220	-20	(1.7%)	7,200	54,104
HEAT & LIGHT	28,254	25,096	3,158	11.2%	107,000	102,670
WATER	2,774	2,994	-220	(7.9%)	16,000	17,067
CLEANING	12,332	13,435	-1,103	(8.9%)	74,100	88,463
SECURITY	9,833	8,409	1,424	14.5%	59,000	52,462
WASTE	666	401	265	39.8%	4,000	5,797
REPAIRS & MAINTENANCE	14,000	4,712	9,288	66.3%	75,500	49,277
MOTOR COSTS	0	0	0	-	0	-151
KITCHEN	6,364	3,032	3,332	52.4%	38,000	32,524
REMOVALS	0	379	-379	-	0	0
FURNITURE	5,000	313	4,687	93.7%	60,000	46,407
GENERAL EQUIPMENT	1,666	847	819	49.2%	10,000	8,191
STATIONERY	7,600	7,252	348	4.6%	45,400	46,178
POSTAGE	10,200	14,811	-4,611	(45.2%)	61,000	55,840
DOCUMENT DESTRUCTION	1,418	559	859	60.6%	8,000	5,768
OTHER	262	0	262	100.0%	3,000	84,449
OFFICE COSTS CAPITALISED	0	0	0	-	-30,000	-41,529
<b>TOTAL OFFICE COSTS</b>	<b>221,233</b>	<b>204,015</b>	<b>17,218</b>	<b>7.8%</b>	<b>1,256,200</b>	<b>1,523,289</b>

# MANAGEMENT REPORT

For the Two Months Ending 31 May 2017

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2016/17
	£	£	£	%	£	£
SALARIES	2,188,929	2,099,047	89,882	4.1%	14,199,726	12,062,267
OVERTIME	26,406	20,800	5,606	21.2%	148,000	110,106
PENSION	455,206	428,353	26,853	5.9%	2,953,948	2,452,706
NATIONAL INSURANCE	218,254	203,145	15,109	6.9%	1,418,141	1,150,172
AGENCY STAFF	0	88,279	-88,279	-	0	291,489
SALARIES INCOME	-17,359	0	-17,359	100.0%	-84,500	-68,616
PENSION INCOME	-3,492	0	-3,492	100.0%	-17,000	-14,582
NATIONAL INSURANCE INCOME	-1,746	0	-1,746	100.0%	-8,500	-7,829
NON EXEC BOARD MEMBER	8,882	5,174	3,708	41.7%	53,292	53,944
<b>TOTAL STAFF COSTS</b>	<b>2,875,080</b>	<b>2,844,798</b>	<b>30,281</b>	<b>1.1%</b>	<b>18,663,107</b>	<b>16,029,657</b>
RECRUITMENT	18,334	21,532	-3,198	(17.4%)	110,000	166,022
RELOCATION EXPENSES	0	0	0	-	0	41,575
HEALTH & SAFETY	6,802	6,542	260	3.8%	45,000	46,860
APPRENTICESHIP LEVY	0	5,222	-5,222	-	0	0
FURTHER EDUCATION	1,000	626	375	37.5%	6,000	7,478
ALL STAFF SKILLS DEVELOPMENT	20,000	41,731	-21,731	(108.7%)	120,000	302,965
SEMINARS AND CONFERENCES	22,000	1,914	20,086	91.3%	132,000	0
MANAGEMENT DEVELOPMENT	3,000	2,148	852	28.4%	18,000	14,111
CSL E LEARNING	1,000	0	1,000	100.0%	6,000	0
CSL WORKSHOPS	1,000	0	1,000	100.0%	6,000	0
PROFESSIONAL QUALIFICATIONS	1,000	9,202	-8,202	(820.2%)	6,000	0
INFORMATION TECHNOLOGY	1,000	0	1,000	100.0%	6,000	0
<b>TOTAL TRAINING AND RECRUITMENT</b>	<b>75,136</b>	<b>88,916</b>	<b>-13,780</b>	<b>(18.3%)</b>	<b>455,000</b>	<b>579,010</b>
HOSTING, WEB AND TELEPHONY	119,387	120,361	-974	(0.8%)	716,322	704,277
APP & DESKTOP SUPPORT	113,334	112,933	401	0.4%	680,003	679,870
SOFTWARE LICENSING	80,834	79,109	1,725	2.1%	485,000	379,419



# MANAGEMENT REPORT

For the Two Months Ending 31 May 2017

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2016/17
	£	£	£	%	£	£
SECURITY CONTRACT	8,334	7,590	744	8.9%	50,000	54,482
NOTIFICATION PRINTING	19,534	41,676	-22,142	(113.3%)	190,000	222,494
MANAGED PRINT	7,084	6,506	578	8.2%	42,500	33,702
CARD PROCESSING CHARGES	13,220	24,916	-11,696	(88.5%)	88,000	103,982
HARDWARE MAINTENANCE	8,334	15,446	-7,112	(85.3%)	50,000	70,975
GOV SECURE INTERNET	16,666	19,871	-3,205	(19.2%)	100,000	0
TELEPHONY CALLS & BROADBAND	24,416	30,682	-6,266	(25.7%)	146,500	256,534
<b>TOTAL IT COSTS</b>	<b>411,143</b>	<b>459,089</b>	<b>-47,946</b>	<b>(11.7%)</b>	<b>2,548,325</b>	<b>2,505,735</b>
RESOURCES	0	125,933	-125,933	-	0	0
SOFTWARE	0	8,240	-8,240	-	0	0
HARDWARE	0	24,627	-24,627	-	0	0
SUNDRY (OTHER)	192,445	1,651	190,794	99.1%	1,154,675	1,263,585
PROJECT COSTS TBA	0	84,257	-84,257	-	0	0
PROJECT WORK CAPITALISED	0	0	0	-	-620,000	-575,085
<b>TOTAL PROJECT SPEND</b>	<b>192,445</b>	<b>244,708</b>	<b>-52,263</b>	<b>(27.2%)</b>	<b>534,675</b>	<b>688,500</b>
CAMPAIGNS, MEDIA RELATIONS & PR	5,200	6,107	-907	(17.4%)	31,200	24,665
MEDIA MONITORING	13,200	8,280	4,920	37.3%	79,200	135,625
DESIGN & PRINT	9,166	5,384	3,782	41.3%	55,000	40,922
DISTRIBUTION	6,666	5,308	1,358	20.4%	40,000	25,774
SURVEYS	11,000	0	11,000	100.0%	66,000	26,779
CONFERENCES GENERAL	0	1,939	-1,939	-	104,000	269,310
CONFERENCE INCOME	0	0	0	-	-50,000	-48,686
ICON DEVELOPMENT	2,500	0	2,500	100.0%	15,000	0
STAFF EVENTS	6,584	772	5,812	88.3%	37,000	19,578
WEB MAINTENANCE	1,834	1,713	121	6.6%	11,000	13,493
<b>TOTAL COMMUNICATIONS</b>	<b>56,150</b>	<b>29,503</b>	<b>26,647</b>	<b>47.5%</b>	<b>388,400</b>	<b>507,460</b>

# MANAGEMENT REPORT

For the Two Months Ending 31 May 2017

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2016/17
	£	£	£	%	£	£
BANK CHARGES	0	217	-217	-	37,500	47,624
EXTERNAL AUDIT	5,500	5,417	83	1.5%	33,000	32,500
INTERNAL AUDIT	1,659	0	1,659	100.0%	37,000	69,431
CORPORATION TAX	0	0	0	-	0	17
BAD DEBT WRITE OFF	0	0	0	-	0	3,562
<b>TOTAL FINANCIAL COSTS</b>	<b>7,159</b>	<b>5,634</b>	<b>1,525</b>	<b>21.3%</b>	<b>107,500</b>	<b>153,134</b>
CAR HIRE	1,584	459	1,125	71.0%	9,500	5,251
TRAVEL HOSTING	0	88	-88	-	0	226
TRAVEL UK	52,211	66,228	-14,016	(26.8%)	383,500	445,577
TRAVEL OVERSEAS	18,859	26,490	-7,631	(40.5%)	139,700	97,136
TRAVEL INCOME - UK	-1,438	0	-1,438	100.0%	-7,000	-6,526
TRAVEL INCOME - OVERSEAS	-2,054	-442	-1,612	78.5%	-10,000	-15,328
<b>TOTAL TRAVEL</b>	<b>69,162</b>	<b>92,823</b>	<b>-23,661</b>	<b>(34.2%)</b>	<b>515,700</b>	<b>526,336</b>
LEGAL	39,159	34,598	4,561	11.6%	562,000	349,017
LEGAL COSTS RECOVERED	-5,136	-1,004	-4,132	80.5%	-25,000	-27,109
LIBRARY & SUBSCRIPTIONS	14,625	9,703	4,922	33.7%	82,000	54,354
PROFESSIONAL MEMBERSHIPS	0	1,935	-1,935	-	13,250	10,714
RESEARCH	4,500	0	4,500	100.0%	90,000	35,634
RESEARCH GRANTS FUND	8,174	0	8,174	100.0%	125,000	0
PROFESSIONAL SERVICES	13,691	35,665	-21,974	(160.5%)	95,500	163,404
STAFF RECOGNITION	10,740	-3,361	14,101	131.3%	10,740	9,452
<b>TOTAL LEGAL, PROFESSIONAL &amp; OTHER</b>	<b>85,753</b>	<b>77,536</b>	<b>8,217</b>	<b>9.6%</b>	<b>953,490</b>	<b>595,466</b>
<b>TOTAL COSTS</b>	<b>3,993,261</b>	<b>4,047,023</b>	<b>-53,762</b>	<b>(1.3%)</b>	<b>25,422,397</b>	<b>23,108,588</b>
<b>CAPITAL SPEND</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>650,000</b>	<b>616,614</b>

# MANAGEMENT REPORT

For the Two Months Ending 31 May 2017

	Year To Date				Full Year	Prior Year
	Budget £	Actual £	Variance £	Var % %	Forecast £	2016/17 £
OPERATING SURPLUS	-293,177	-232,481	-60,696	20.7%	-1,392,397	124,312
GIA PROGRAMME 1819 ADVANCE	0	0	0	-	1,400,000	0
SURPLUS	-293,177	-232,481	-60,696	20.7%	7,603	124,312

## FTE Staff Analysis

Permanent Staff Band A	0.0	8.1	(8.1)	0.0	0.0	0.0
Permanent Staff Band B	0.0	31.5	(31.5)	0.0	0.0	0.0
Permanent Staff Band C	0.0	102.9	(102.9)	0.0	0.0	0.0
Permanent Staff Band D	0.0	126.0	(126.0)	0.0	0.0	0.0
Permanent Staff Band E	0.0	100.1	(100.1)	0.0	0.0	0.0
Permanent Staff Band F	0.0	54.8	(54.8)	0.0	0.0	0.0
Permanent Staff Band G	0.0	12.4	(12.4)	0.0	0.0	0.0
Permanent Staff Band H	0.0	4.0	(4.0)	0.0	0.0	0.0
Agency Staff Band A	0.0	1.0	(1.0)	0.0	0.0	0.0
Agency Staff Band B	0.0	1.0	(1.0)	0.0	0.0	0.0
Agency Staff Band C	0.0	6.0	(6.0)	0.0	0.0	0.0
Agency Staff Band D	0.0	1.6	(1.6)	0.0	0.0	0.0
Agency Staff Band E	0.0	1.0	(1.0)	0.0	0.0	0.0
<b>Total FTE staff</b>	<b>0.0</b>	<b>450.3</b>	<b>(450.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>